Message Text

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44

ACTION AF-18

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 RSR-01 /093 W

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R 310801Z AUG 73 FM AMEMBASSY LUSAKA TO SECSTATE WASHDC 9280

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FOR AF/E

PASS EXIM BANK AND COMMERCE

E.O. 11652: DECONO OL UPON RECEIPT TAGS: BTRA, ETRD, EFIN, ETRN, US, ZA

SUBJ: LOCOMOTIVES FOR ZAMBIA -- EXIM CREDIT 44593

REF: (A) STATE 052159 (B) LUSAKA 468

- 1. MINFIN FINANCE OFFICER AUTRI INFORMED EMB AUG 30 GRZ HAD CABLED EXIM BANK AND CONTINENTAL ILLINOIS BANK INDICATING DESIRE COMPLETE LOCOMOTIVE LOAN WITH TWO CHANGES IN TERMS NEGOTIATED EARLIER (REF A).
- 2. GRZ ASKING LOAN INCREASE FROM DOLPERS 5.3 MILLION TO DOLLARS 7.5 MILLION TO COVER PURCHASE TWO ADDITIONAL GENERAL ELECTRIC LOCOMOTIVES (NEW TOTAL 18) AND AMPLE SPARE PARTS. GRZ ALSO SEEKING EXTENSION GRACE PERIOD FROM NOV 15, 1974 TO OCT 31, 1977 WHEN ZAMBIAN RAILWAYS (ZRRY) WILL FINISH PAYING ON PREVIOUS LOCOMOTIVE LOAN. GRZ WILL GUARANTEE LOAN AND SEEKS RAPID AGREEMENT OF BANKS CONCERNED AND PROMPT NOTIFICATION OF GE TO PERMIT SCHEDULING PRODUCTION AND DELIVERY ASAP. UNDERSTAND ZRRY GENERAL MANAGER FAST GOING TO USA IN NEAR FUTURE TO DISCUSS LOCOMOTIVE DEAL WITH GE.

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3. ASSUME EXIM WILL FIND LITTLE DIFFICULTY IN INCREASING LOAN TO 7.5 MILLION DOLLARS; BELIEVE ADDITIONAL LOCOMOTIVES AND SPARE PARTS SOUGHT REFLECT NEW, MORE THOROUGH CALCULATION ZRRY REQUIREMENTS. RECOGNIZE REQUESTED GRACE PERIOD UNUSUALLY LONG, BUT URGE IT BE GIVEN SPECIAL AND FAVORABLE CONSIDERATION FOR REASONS CITED REF B. ZRRY HAS BEEN CONSISTENT IN MAINTAINING ITS CASH POSITION PRECLUDES HANDLING NEW AND PREVIOUS LOAN SIMULTANEOUSLY. COMPETITIVE SITUATION REMAINS AS STATED REF B. NELSON

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Message Attributes

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